Compliance Assessment Sampling Plan – **Caribbean Basin Initiative (CBI)**

Attribute, Test, Errors, & Criteria for Testing	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
Attribute: Did the importer's claims for CBI trade preference comply with statutory and regulatory requirements as set forth in Title V of the Trade Act of 1974 (19 U.S.C. 2461-2465), as amended by the Customs and Trade Act of 1990, and in 19 CFR Part 10, Sections 10.193 through 10.198? **Test (Primary Audit Steps):** (1) Determine eligibility for claimed CBI by verifying the following for each selected CBI transaction: • Country is eligible for CBI treatment • Merchandise is eligible for CBI treatment • Merchandise was directly imported into the U.S. • Merchandise originates in Beneficiary Developing Country (BDC) and meets 35% rule. (2) Determine if the company's internal control policies and procedures for CBI were • Documented, and • Produced accurate CBI claims. **Errors:** • Country is not eligible for CBI treatment • Merchandise not eligible for CBI treatment • Merchandise was not directly imported into the U.S. • Merchandise did not originate in BDC or meet the 35% rule • The importer is unable to provide adequate support or information for verifying its CBI eligibility claim **Criteria for Testing (Statistical Sample or 100% Review):** ÿ CAT determines that the trade area is a high risk trade area. ÿ Trade area ≥ $10,000,000.	**Approach:** attribute estimation sampling using the average error rate (point estimate) for evaluating compliance **Confidence Level:** 95% **Sampling Error (Precision):** ±5% (10% range) **Anticipated Error Rate:** 5%	CBI line items on Customs entries made during the importer's last completed fiscal year	**Customs' Records:** CBI Line Items **Importer's Records:** Inventory of CBI Articles **Sampling Frame:** _____ **Validated Sample:** ÿ Yes ÿ No **Frame Size:** _____ **Sample Size:** _____	**LOL Compliance Rate:____%** **Systemic/Non-Systemic or Recurring Errors?** – If systemic, recommend importer correct cause of error(s) – If recurring, project the effect and recommend collection of unpaid duties and fees. – If non-recurring, recommend collection of duties and fees on identified errors, if applicable. **ÿ LOL Error Rate £5%** – If internal controls were documented, compliance is at an acceptable level for CBI. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. **ÿ LOL Error Rate > 5%** **Apply materiality criteria**. (CAT Kit Exhibit 32) **Materiality Compliance Rate:____%** **ÿ Materiality Compliance Rate is acceptable** – If internal controls were documented, compliance is at an acceptable level for CBI. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. **ÿ Materiality Compliance Rate is unacceptable** – If materiality error rate is not acceptable, importer compliance for CBI is not acceptable. Coordinate with the Account Manager to help company develop a CIP. **Prepare results sheet and refer to the Enforcement Evaluation Team (EET) if findings meet the EET impact level for referral.**